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SENATE BILL 180

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

Sue Wilson Beffort

AN ACT

RELATING TO LICENSING; REVISING BONDING REQUIREMENTS FOR
EMPLOYEE LEASING CONTRACTORS; ESTABLISHING THE EMPLOYEE LEASING
ACT FUND; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-13A-1 NMSA 1978 (being Laws 1993,
Chapter 162, Section 1) is amended to read:

"60-13A-1. SHORT TITLE.--~~[This act]~~ Chapter 60, Article
13A NMSA 1978 may be cited as the "Employee Leasing Act"."

Section 2. Section 60-13A-7 NMSA 1978 (being Laws 1993,
Chapter 162, Section 7, as amended) is amended to read:

"60-13A-7. SURETY REQUIREMENTS FOR EMPLOYEE LEASING
CONTRACTORS.--

A. An employee leasing contractor domiciled and
registered in New Mexico as of September 30, 1993 shall file

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1 and maintain with the department a surety bond in the amount of
2 twenty-five thousand dollars (\$25,000) issued by an insurance
3 company authorized to do business in this state. An employee
4 leasing contractor domiciled and registered in New Mexico after
5 September 30, 1993 shall file and maintain with the department
6 a surety bond in the amount of one hundred thousand dollars
7 (\$100,000) issued by an insurance company authorized to do
8 business in this state. Interest accrued on such liquid
9 securities shall be paid to the employee leasing contractor
10 providing the liquid security. The bond shall be conditioned
11 upon the prompt payment of wages for which the employee leasing
12 contractor becomes liable. The employee leasing contractor's
13 liability for these wages shall terminate six months after the
14 employee leasing contractor terminates ~~[his]~~ the employee
15 leasing contractor's employee leasing business.

16 B. In lieu of the surety bond required under
17 Subsection A of this section, the employee leasing contractor
18 may deposit with a depository designated by the department
19 liquid securities with a market value equal to the amount
20 required for a surety bond. The deposit contract shall
21 authorize the department to liquidate the securities to the
22 extent necessary to pay ~~[any]~~ obligations that the employee
23 leasing contractor fails to pay promptly when due.

24 C. In lieu of the surety requirements of this
25 section, the department may by rule provide that it will accept

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1 an affidavit or certification of a bonded, independent and
2 qualified assurance organization, approved by the department,
3 that certifies the qualification of an employee leasing
4 contractor."

5 Section 3. A new section of the Employee Leasing Act is
6 enacted to read:

7 "[NEW MATERIAL] EMPLOYEE LEASING ACT FUND CREATED--
8 PURPOSE--APPROPRIATION.--

9 A. The "Employee Leasing Act fund" is created in
10 the state treasury. The fund shall consist of appropriations
11 to the fund; fees charged by the department pursuant to the
12 Employee Leasing Act; gifts, grants, donations and bequests to
13 the fund; and income from investment of the fund. Money in the
14 fund shall not revert to any other fund at the end of a fiscal
15 year. Expenditures from the fund shall be made on warrants
16 drawn by the secretary of finance and administration pursuant
17 to vouchers signed by the superintendent of regulation and
18 licensing or the superintendent's authorized representative.

19 B. The fund shall be administered by the
20 department, and money in the fund is appropriated to the
21 department for the purpose of carrying out the provisions of
22 the Employee Leasing Act."

23 Section 4. EFFECTIVE DATE.--The effective date of the
24 provisions of this act is July 1, 2009.